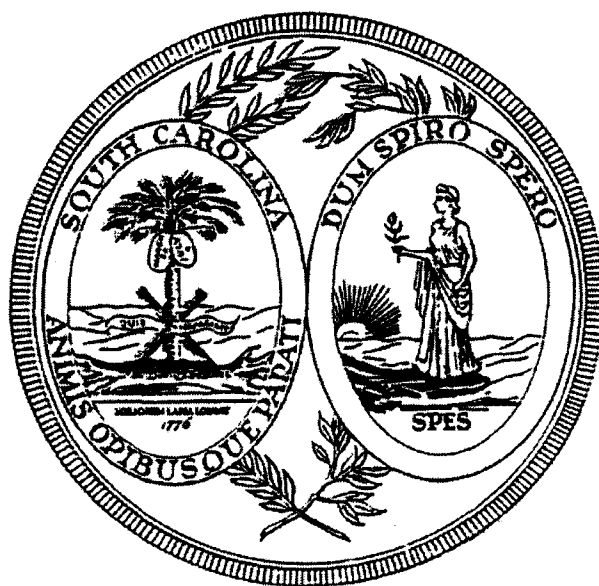


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SC Workers' Compensation Commission's Notification System



**Jennifer Neese
SC Workers' Compensation Commission
March 30, 2009**

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STATE DOCUMENTS

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Problem Statement

The South Carolina Workers' Compensation Commission currently notifies all parties to a claim by standard U.S. Mail when there is a deficiency in a file, a hearing, appeal or informal conference is scheduled, an order is served, a motion is taking place or a mediation is scheduled. The Commission spends an exorbitant amount of money and time printing notices, copying files and preparing them both to be mailed. The cost associated with manually issuing notifications and file copies affects the agency budget, resources and employee productivity.

Every South Carolina employer and employee, with certain notable exceptions, is presumed covered by the state's workers' compensation act. Employers who accept the provisions of the act are required to maintain insurance sufficient for the payment of compensation, medical treatment and compensation for permanent impairments and disability.

Under the general supervision and management of the executive director are the Commission's five functional departments: (1) Administration, (2) Claims, (3) Insurance & Medical Services, (4) Judicial and (5) Information Services. Each department is under the supervision of a director and organized into one or more operational divisions. Each department also participates in notifying employers, employees, attorneys or insurance carriers of file deficiencies, hearing schedules, and violations of the SC Workers' Compensation Act.

Data Collection

Data collection initiatives consisted of meeting with the judicial, claims and administrative directors along with their employees. In an effort to visualize the current processes and procedures, flowcharts were created by the Judicial and Claims departments. Two processes will be evaluated to determine bottlenecks in each departmental process and evaluate any duplication of efforts that may contribute to cost, process time and employee productivity. Processing settlements and file copy requests intertwine the judicial, claims and administrative departments. Flowcharts are reflective of two processes that involve three departments.

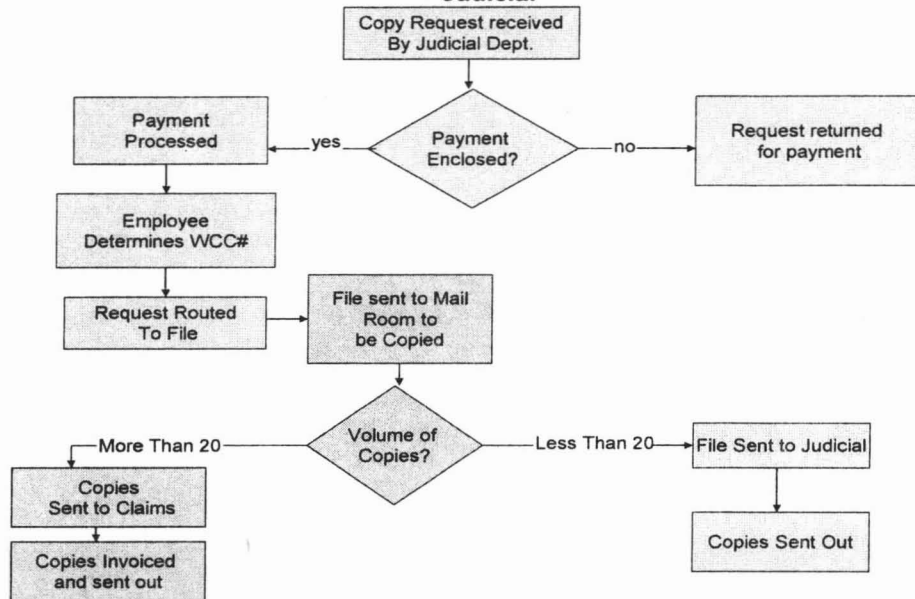
Each chart represents the flow of work and a step by step road map to completing the task. Several employees are involved in each process and indicators dictate the routing of the documents. For example, if a file contains more than twenty pages the volume indicates that an invoice must be created and sent with the copies of the file. Files containing less than twenty pages are simply mailed out for no charge. Similarly, with settlement agreements each process requires the date of injury to be evaluated. On July 1, 2007 the Act was amended to require additional information for injuries that occurred on or after this date. Evaluating these processes by collecting data from each department was instrumental in evaluating the manual notification and delivery process pertaining to the selected flowcharts.

The fiscal cost incurred by manually issuing notices consist of costs associated with postage, envelopes, printing and paper. The postage cost for the agency is \$5,000 per month. Printing, paper and envelope cost approximately \$700 per month. The

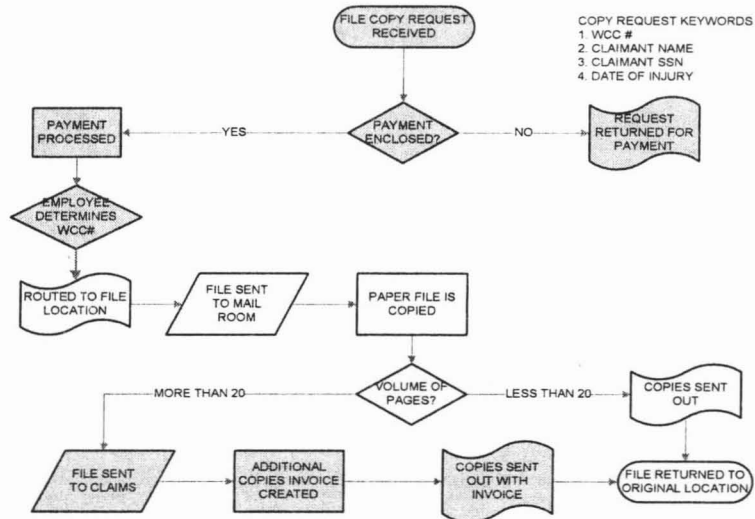
estimated monthly cost of supplies required for the current notification system is \$5,7 00 per month, totaling \$68,400 annually.

In addition to fiscal costs, there are opportunity costs that must be considered when evaluating the Commissions notification system. This loss consists of time that is spent by all five agency divisions on a daily basis physically distributing and opening mail, placing postage on envelopes which is done by manually feeding each piece of mail through a postage machine, and carrying mail to the post office twice a day. The Commission currently has fifty eight employees; on a daily basis ninety –five percent (95%) of these employees will process a piece of mail. This requirement of time results in an opportunity cost for employees. The time they are required to spend manually processing mail could be spent more effectively and efficiently on completing core job functions.

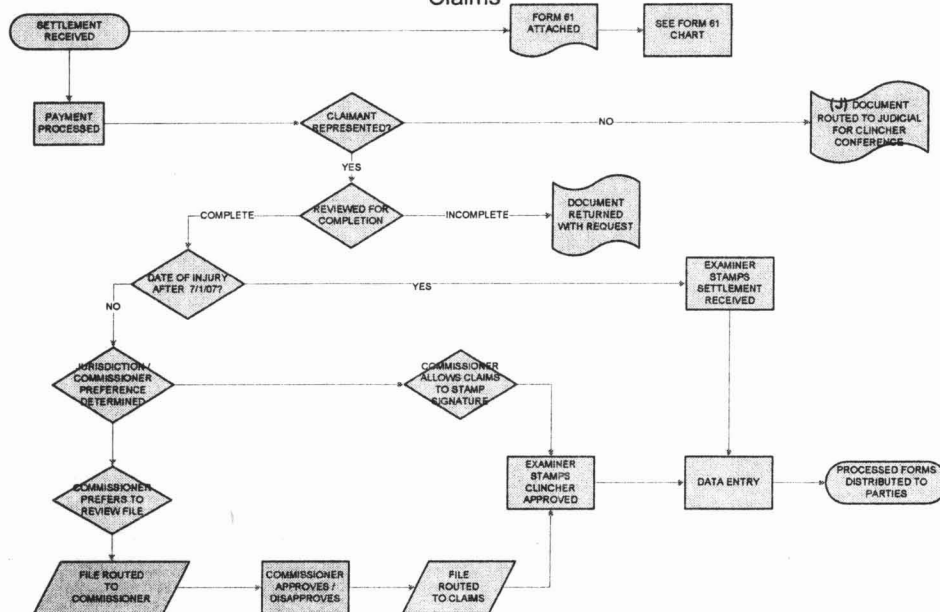
File Copy Requests - Judicial



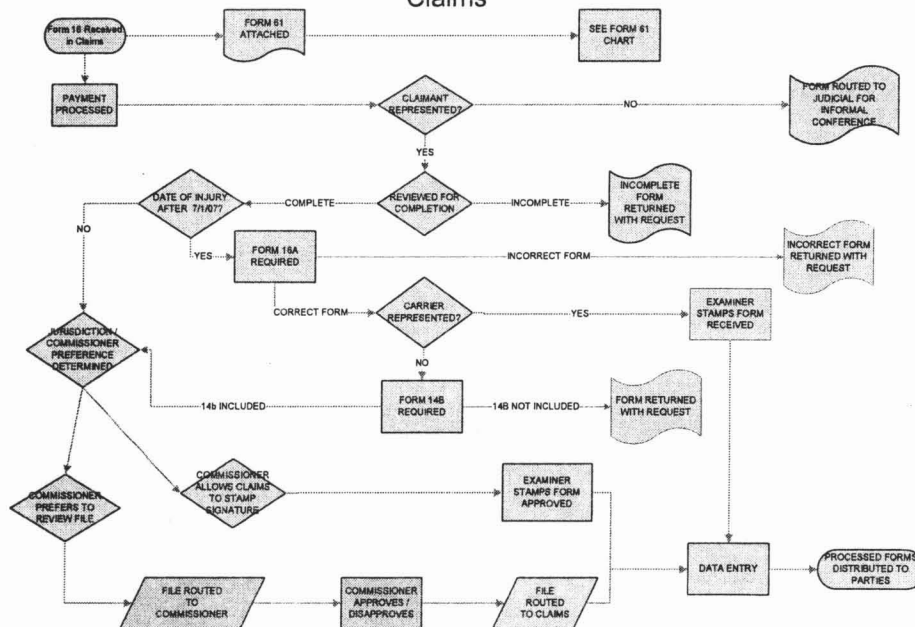
File Copy Request Claims



Settlements Clinchers and Third Party Agreements Claims



Form 16 Settlement Claims



Data Analysis

Data collected and evaluated through charting the work flow processes identified several cost drivers that are related to mailing and copying paper. They are as follows for each process:

Judicial File Copy Requests:

Request returned for payment
Files sent to mail room to be copied
Copies sent out

Claims File Copy Requests:

Request returned for payment
Paper file copied
Copies sent out

Settlements, Clinchers and Third Party Agreements:

Document returned with request
Processed forms distributed to parties

Form 16 Settlements:

Incomplete form returned with request
Processed forms distributed to parties

Each process also requires the involvement of several employees.

The manual notification and delivery processes used particularly relates to Commission employees notifying insurance carriers of file deficiencies and providing constituents with copies of files. The charts, actions and number of employees involved in these processes represent several duplications of effort. Streamlining could occur by simply not sending the file to another department or employee to take action. In the case of copying files it is unnecessary for the employee receiving the request to send it to another employee to process a payment. Each department also has a copier centrally

located so the process of sending a file to the mail room to be copied could also be eliminated. Claims department requests are fragmented for the same reasons. It is unnecessary for a file to travel to a different department to be copied and returned to the original location.

Similarly, the workflow process for settlements exhausts a considerable amount of time by routing files to different locations when the work could be performed at one central location based on the department that initially receives the document. A substantial amount of employee productivity is wasted returning, routing and distributing documents rather than processing the requests in one department.

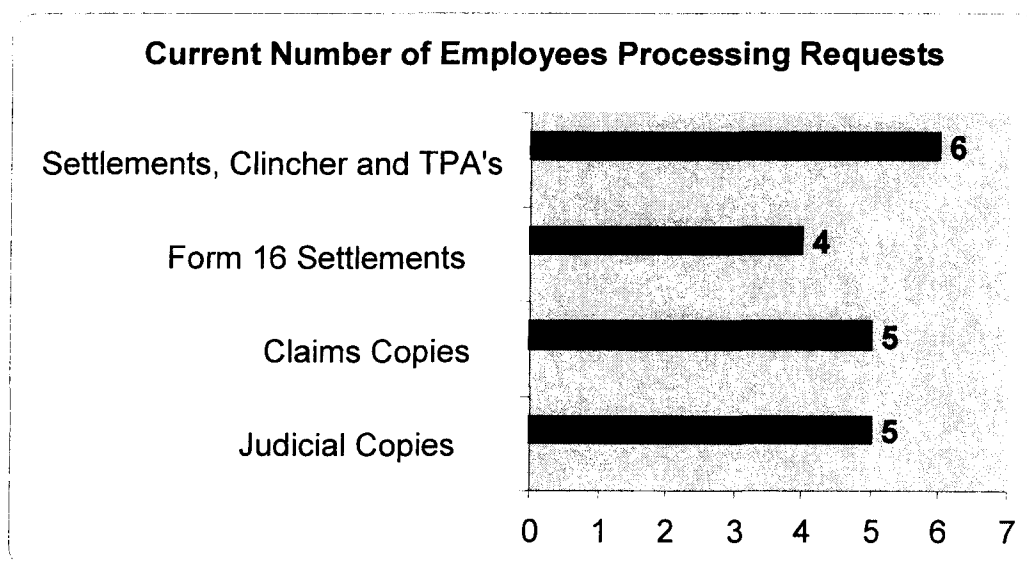
Potential solutions to minimize cost, duplication of efforts and productivity include:

1. Holding the department that is responsible for receiving the document or request accountable for processing it internally. Delegate employees that are currently familiar with the process with the responsibility of seeing it through. This would provide a means of accountability and responsibility and would eliminate the routing and distributing efforts among several departments.
2. Automate the notification process. The Commission could require that all settlement and file copies contain an email address for future correspondence to be sent electronically. The Commission could scan and email file copies instead of mailing them. This would save a substantial amount of money and time. In addition, file deficiencies regarding settlements could be emailed which would reduce mailing costs and expedite the process of receiving a corrected version. When a settlement is approved

by a Commissioner an electronic copy could also be delivered electronically versus mailing a copy to all parties.

Implementation Plan

Downsizing the cost of postage, paper, envelopes and printing by fifty percent (50%) would result in a annual cost savings of approximately \$34,000. The length of workflow cycle time could also be reduced by reducing the amount of employees that process requests to two employees. This would result in a cycle time savings of 30%-50%. For every employee that is involved in the workflow process, 15 minutes of time can be accounted for.



The implementation plan for both potential solutions would begin with meeting each department director and their employees to determine how they would internally delegate the pieces of the process that are currently outsourced to other departments. Once the process was internalized by department, productivity benefits would occur in

departments that were no longer involved in the process. Minimizing employee involvement to two employees per process would eliminate the need to route files to different locations and the domino effect that occurs before the file is finally returned to its original location.

Requiring an email address for electronic notification and delivery of documents is the most operative option to reducing the amount of time, cost and loss of employee productivity. This would reduce the amount of money spent on supplies and printing, the amount of time numerous employees spend on processing and reduce opportunity cost that prevent employees from performing core job functions. The plan of implementation would begin by informing attorney and insurance carriers of the change and allowing them time to provide an electronic email address to the agency. Requiring employees or claimants to provide an email address would not be possible since not all claimants have computer and email access. The Commission's current database allows for email addresses to be entered and stored. Employees distributing documents could do this by simply scanning them and emailing them to the parties. The Commission is currently equipped with the scanning equipment and capabilities to do so. An estimated fifty percent savings (50%) is predicted by lowering the amount of supplies and postage currently required and electronically issuing notifications and file copies.

Evaluation Method

Both potential solutions could be evaluated by monitoring the cycle time it takes to expedite a request or process. This could be done electronically by requiring employees to enter into the Commission's database a status code and location code which would provide a tracking mechanism. Cost savings would be evaluated on a quarterly

basis. Each department is responsible for their division's budgets and could indicate the decrease in supply costs for postage, printing, paper and envelope usage on a monthly basis. Staff recommendations should also be considered to continue to improve and evaluate processes. All electronic receipt and sending errors could be monitored within the Commissions data base. However, it is the responsibility of employees to update email addresses from insurance carriers and attorneys to ensure that accurate information is maintained. Employees are asked to submit recommendations for approval to processes to their division directors on a weekly basis. If problems exist that cannot be address internally within each department or recommendations are made that could benefit all departments they are submitted in writing by the division director to all executive staff members for consideration. Executive staff meets with the agency Executive Director on a weekly basis and is authorized to make decisions that effect all agency processes and procedures.

A learning curve is expected in training employees to scan and document images rather than printing and emailing them and to receive documents electronically and index them appropriately in the agency document management system that currently exists. In an effort to train employees and transition them to a new processing system several initiatives will take place. Departmental meetings will take place to inform employees of the change and present them with an opportunity to ask questions about the transition. Scanning and document management training manuals will be issued to all employees and hands on training using scanning equipment will take place. Human resources will evaluate the job descriptions of those employees that will primarily be responsible for

scanning documents. All employees are currently familiar with emailing and receiving document attachments.

Summary and Recommendations

In summary, the recommendation based on the data collected is to departmentally internalize all copy requests and party notifications. The findings indicate that cost drivers, resources and employee productivity are affected by inefficient processes that require far more employee involvement that is necessary. In addition, electronic capabilities that are already in place could be utilized to minimize cost and time spent mailing documents.

South Carolina Workers' Compensation Commission
1612 Marion Street
Post Office Box 1715
Columbia, South Carolina 29202-1715
803-737-5723



WCC File #: _____
Carrier File #: _____
Carrier Code #: _____
Employer FEIN #: _____

Claimant's Name: _____ Employer's Name: _____
Address: _____ Address: _____
City: _____ State: _____ Zip: _____ City: _____ State: _____ Zip: _____
Home Phone: () - _____ Work Phone: () - _____ Insurance Carrier: _____
Preparer's Name: _____ Law Firm: _____ Preparer's Phone #: () - _____

Date Attorney Was Hired: _____ Date of Injury: _____

Compensation Rate: _____ Does this conclude the case? ☐ Yes ☐ No

PLEASE CHECK AND COMPLETE ONLY ONE: (A, B, C or D)

☐ **A.** R.67-1205C does not apply to the facts of this case. A _____ % fee of the award or settlement (excluding medical costs) and the costs of this action, as shown by the attached Settlement of Costs, are requested for approval.

☐ **B.** The subsection of R. 67-1205C applicable to this claim is (C) _____. A fee of \$ _____ is requested for approval based on the following:

Date of first impairment rating or offer of settlement: _____

Impairment Rating given and/or Settlement amount offered prior to date attorney hired: _____

Impairment Rating given and/or Settlement amount offered after date attorney hired: _____

Authorized Health Care Provider's Name: _____

☐ **C.** Admitted Death Claim - \$2,500.

☐ **D.** Admitted Lifetime Compensation Claim - \$2,500.

I certify that this form and the attached Statement of Costs are accurate.

Attorney for the Claimant

Date

Summary	
Total Amount of Compensation	\$ _____
Attorney's Fee	\$ _____
Costs	\$ _____
Total Fees and Costs	\$ _____
Client Will Receive	\$ _____

I agree to pay my attorney the fee and costs stated. I understand the fee and costs are paid out of my compensation and I understand how much money I will receive after I pay my attorney.

Client

Date

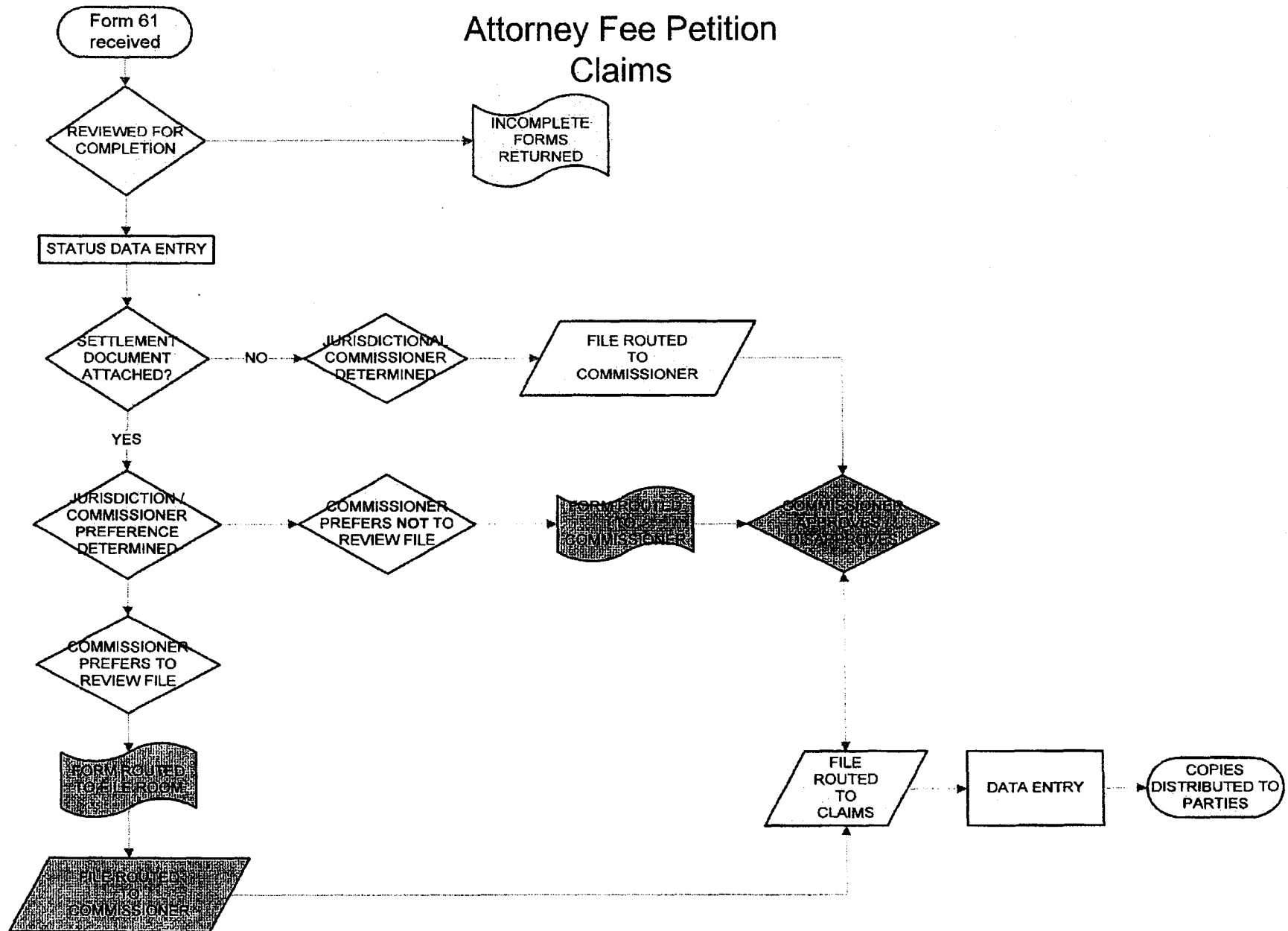
A Statement of Costs must be attached before costs may be approved. File this form in duplicate with the Claims Department. Enclose a self-addressed, stamped envelope. For further information, refer to R.67-1203, R.67-1204, R.67-1205, R.67-1206 and Rule 1.5(a), RPC Rule 407, SCACR.

WCC Form # 61
Revised 7/08

61

ATTORNEY FEE PETITION

Attorney Fee Petition Claims





Claimant's Name: _____ SSN: _____ Employer's Name: _____
Address: _____ Address: _____
City: _____ State: _____ Zip: _____ City: _____ State: _____ Zip: _____
Home Phone: () - _____ Work Phone: () - _____ Carrier: _____
Preparer's Name: _____ Preparer's Phone #: () - _____

Date of injury: _____

The above-named parties agree to pay and accept compensation based on the following facts:

On _____ (month/day/year), the treating physician, _____ (Name of Treating Physician), assigned a _____ percent permanent impairment rating to the _____ (Body Part). The parties agree that the Claimant reached maximum medical improvement on _____ (month/day/year) and has sustained _____ percent permanent disability to the _____ (Body Part) and/or _____ weeks disfigurement as a result of his/her injury. The Employer's Representative agrees to pay and the Claimant accepts _____ weeks of compensation at the rate of \$_____, which is based on the Claimant's average weekly wage of \$_____. The estimated award is \$_____, which is subject to verification by the Commission.

Additionally, the employer's representative agrees to pay and the claimant accepts the following medical treatment:

This agreement is binding on approval by the Commission. A claim for additional compensation based on a worsening of the Claimant's condition must be filed no later than one (1) year from the date of the last payment of compensation. Only medical care authorized by the employer's representative, or specific medical care detailed herein, will be paid under the terms of this agreement.

Claimant's Signature

Employer's Representative

☐ Witness ☐ Claimant's Attorney (check one)

Commissioner

Date Agreement Signed

Date Approved

Refer to R.67-804 for instructions regarding the Form 16



WCC File #: _____
Carrier File #: _____
Carrier Code #: _____
Employer FEIN #: _____

Claimant's Name: _____ Employer's Name: _____
Address: _____ Address: _____
City: _____ State: _____ Zip: _____ City: _____ State: _____ Zip: _____
Home Phone: () - _____ Work Phone: () - _____ Carrier: _____
Preparer's Name: _____ Preparer's Phone #: () - _____

This form is only applicable to injuries by accident occurring on or after July 1, 2007 pursuant to Title 42-15-60 (A) as amended. The execution of this document is an agreement between the parties relating to a Workers' Compensation claim under §§42-1-160, 42-1-172 or 42-11-10.

Date of Injury or Illness _____

The above parties agree to pay and accept compensation based on the following facts:

A compensable ☐ Injury ☐ Illness ☐ Repetitive Trauma occurred on: _____ (month/day/year).

The injury was to _____ body part(s) injured and also the injury affected _____ other body part(s).

The authorized treating physician has released the Claimant from his or her care and has found maximum medical improvement on _____ (month/day/year).
with an impairment rating of _____.

Average weekly wage _____ Compensation rate _____

By agreement of the parties, the following award has been referred to the Commission for approval:

_____ Percentage loss of use to: _____ (body part(s) injured).	_____ weeks
_____ Percentage loss of use to: _____ (body part(s) affected).	_____ weeks
_____ Percentage loss of use to: whole person	_____ weeks
Disfigurement to: _____	_____ weeks
Wage Loss: \$ _____ amount	_____ weeks
Total and Permanent Disability: _____	_____ weeks
Other: _____	_____ weeks

Estimated award (number of weeks times compensation rate) \$ _____

The estimated award is subject to verification by the Commission

Additionally, the Employer's Representative agrees to pay and the Claimant accepts the following medical care and treatment as recommended by the authorized treating physician pursuant to the attached physician's statement, **Form 14B**

Additional medical ordered: _____ Yes _____ No

See attached 14B physician's statement dated: _____

This agreement is binding on approval by the Commission. A claim for additional compensation based on a worsening of the Claimant's condition **must be filed no later than one (1) year from the date of the last payment of compensation.** Only medical care specifically detailed herein will be paid under this agreement. If a dispute arises with regard to continued medical treatment, either party may request a hearing before the Commission pursuant to 42-15-60(B) 3 and (C).

_____ Claimant's Signature	_____ Date Agreement Signed	_____ Attorney/Witness/Translator
_____ Employer's Representative	_____ Attorney for Carrier	_____ Email
_____ Deputy Commissioner	_____ Date agreement approved	_____ Jurisdictional Commissioner



Physician's Statement

Claimant's Name: _____

Employer's Name: _____

Physician's Name: _____

Insurance Carrier: _____

Practice/Clinic: _____

SCWCC File No: _____

Preparer's Name: _____

Phone: (____) _____ - _____

The undersigned physician has been authorized by the Employer/Carrier to treat this Claimant for his or her injury by accident pursuant to §§42-15-60, 42-1-172 or 42-11-10.

Date of Injury or Illness: _____

Date of first office visit: _____

Date of last visit: _____

Diagnosis or nature of injury or illness: _____

Body part(s) injured: _____ Body part(s) affected: _____

Date of **Maximum Medical Improvement**: _____

Based on the **AMA Guidelines**, the claimant has sustained a _____% **medical impairment** to _____ injured body part(s) and a _____% **medical impairment** to _____ other affected body part(s).

_____ The claimant is **able to return to work** without restriction.

_____ The claimant is **able to return to work with the following restrictions:**

_____ The claimant is **unable to return to work** at his or her current employment.

As of the date I last saw this patient, it is **my professional medical opinion** the claimant:

_____ **will not** need future medical care related to his or her work related injury or illness based on a reasonable degree of medical certainty (more likely than not).

_____ **will** need future medical care and treatment related to his or her work related injury or illness based on a reasonable degree of medical certainty (more likely than not) and that medical care and treatment including medication is as follows:

Treating Physician

Date